

State of South Dakota

EIGHTY-EIGHTH SESSION
LEGISLATIVE ASSEMBLY, 2013

893U0474

SENATE ENGROSSED NO. **HB 1098** - 03/04/2013

This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.

Introduced by: Representatives Dryden, Bolin, Carson, Hawley, Lust, Magstadt, Mickelson, Novstrup (David), Otten (Herman), Rozum, Sly, Solum, Wick, and Wismer and Senators Kirkeby, Adelstein, Bradford, Buhl, Frerichs, Holien, Johnston, Jones, Krebs, Lucas, Novstrup (Al), Peters, Rave, Tieszen, Vehle, and White

1 FOR AN ACT ENTITLED, An Act to require the Legislature to approve bonds for lease
2 purchase agreements with the four postsecondary technical institutes, and to approve bonds
3 for lease purchase agreements with Western Dakota Technical Institute and Southeast
4 Technical Institute.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

6 Section 1. That chapter 1-16A be amended by adding thereto a NEW SECTION to read as
7 follows:

8 Beginning July 1, 2013, any bonds, notes or other obligations of the authority which are
9 payable out of receipts, rentals, and other payments made pursuant to lease purchase agreements
10 with the Western Dakota Technical Institute, the Southeast Technical Institute, the Lake Area
11 Technical Institute, the Mitchell Technical Institute, or the South Dakota Board of Education
12 under the authority of chapter 13-39 may only be issued if the Board of Education determines,
13 by the adoption of a resolution, that the estimated receipts, rentals, and other payments,



1 including appropriations by the Legislature, student fee payments, or other balances or revenues
2 pledged under the applicable bond indenture or similar agreement will not be less than one
3 hundred three percent of the projected scheduled payments of principal and interest on all
4 outstanding bonds which, for purposes of that determination shall include the proposed bonds
5 to be issued and shall exclude any bonds to be refunded. In issuing additional bonds, the
6 authority may conclusively rely upon the determination of the board.

7 Section 2. That chapter 1-16A be amended by adding thereto a NEW SECTION to read as
8 follows:

9 The South Dakota Board of Education shall promulgate rules pursuant to chapter 1-26
10 establishing a methodology for forecasting anticipated contributions from student tuition and
11 fees and additional state appropriations available pursuant to a lease purchase agreement to meet
12 the projected scheduled payments of principal and interest on all outstanding bonds and other
13 benchmarks.

14 Section 3. That chapter 1-16A be amended by adding thereto a NEW SECTION to read as
15 follows:

16 Beginning on July 1, 2013, the issuance of any additional bonds, notes, or other obligations
17 shall be approved by the Legislature before issuance. This requirement, however, does not apply
18 to the issuance of bonds for the purposes of refinancing or refunding existing bonds, notes, or
19 other obligations.

20 Section 4. The issuance by the Health and Educational Facilities Authority of additional
21 bonds, notes, or other obligations in a principal amount not to exceed eighteen million five
22 hundred thousand dollars for a lease purchase agreement with the Western Dakota Technical
23 Institute to finance the acquisition, construction, and other costs associated with technical lab
24 space and classrooms for various programs, including diesel technician and technology,

1 agriculture science, construction technology, fire science, paramedic and emergency medical
2 technicians, and to remodel the South Mickelson building is hereby authorized and approved.

3 Section 5. The issuance by the Health and Educational Facilities Authority of additional
4 bonds, notes, or other obligations in a principal amount not to exceed twenty million dollars for
5 a lease purchase agreement with the Southeast Technical Institute to finance the acquisition,
6 construction, and other costs associated with a transportation technology center to house various
7 technical programs, including diesel, auto, and auto body collision programs and other facility
8 improvements necessary for other programs is hereby authorized and approved.

9 Section 6. Beginning in fiscal year 2015, payments made pursuant to lease purchase
10 agreements with the Western Dakota Technical Institute, the Southeast Technical Institute, the
11 Lake Area Technical Institute, the Mitchell Technical Institute, or the South Dakota Board of
12 Education under the authority of chapter 13-39 shall be paid in part from an appropriation to be
13 made by the Legislature in an amount that is equal to or greater than fifty percent of the
14 technical institute facility fee that is administered by the Department of Education.

15 Section 7. That § 1-16A-77 be repealed.

16 ~~—1-16A-77. The aggregate outstanding principal amount of bonds, notes, or other obligations~~
17 ~~of the authority which are payable out of receipts, rentals, and other payments made pursuant~~
18 ~~to lease purchase agreements with an LEA or the South Dakota Board of Education under the~~
19 ~~authority of chapter 13-39, may not exceed one hundred five million dollars for obligations~~
20 ~~issued by the authority in connection with any lease-purchase agreement with the Western~~
21 ~~Dakota Technical Institute, the Southeast Technical Institute, the Lake Area Technical Institute~~
22 ~~or the Mitchell Technical Institute. However, at the option of the authority to be expressed in~~
23 ~~a resolution or an indenture which authorizes or authorized any refunding bonds, the principal~~
24 ~~amount of the bonds, notes, or other obligations which are issued to refund, pay, discharge, or~~

1 ~~defeas~~ any outstanding bonds, notes, or other obligations or which are, as a result of issuance
2 ~~of any such refunding obligations, deemed to be paid, discharged, or defeased by reason of an~~
3 ~~irrevocable deposit of cash or securities, may be excluded from the total principal amount of~~
4 ~~obligations of the authority for the purpose of determining compliance with the limitation of this~~
5 ~~section.~~